

ALERT!

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ALERT #120

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart *Art*
State Controller

DATE: February 1, 1999

SUBJECT: *Fiscal Rules Related to New Hires*
Statewide Financial Audit for FY98-99
Alert #60 - Accounts Receivable Rule Not Changed

Fiscal Rules Related to New Hires

The change in administration will result in the hiring of many new employees who are not acquainted with the State Fiscal Rules. Since the rules apply to all employees (contract, classified, temporary, etc.) and officers of the state except elected officials, it is important you advise new employees regarding these rules.

Fiscal Rule 2-8: Miscellaneous Compensation and Other Benefits (Perquisites) lists the specific benefits that can be granted employees in addition to their salary, wages, compensation plan. No other benefits can be offered without a change in the rule and approval by the Governor [CRS 24-30-202(22)].

Fiscal Rule 2-1: Propriety of Expenditures provides that all office expenses should be reasonable and necessary and are for official business purposes only.

Fiscal Rule 2-9: Moving and Relocation applies to current state employees that are required to move. This rule does not apply to new hires.

Questions about these rules or their application may be direct to your field accounting specialist.

Statewide Financial Audit for FY98-99

On January 22, 1999, State Controller Art Barnhart and State Auditor Dave Barba met to discuss the details of the FY98-99 Statewide Financial Audit that officially began that day. The results of the FY98-99 financial audit, which resulted in an unqualified opinion, will be heard before the Legislative Audit Committee in mid-March. Departments needing to attend that hearing to respond to audit recommendations will be notified as soon as we know which audit findings will be discussed. If you have questions concerning the audit, please contact your accounting specialist.



Alert #60 - Accounts Receivable Rule Not Changed

Alert # 60 issued in 1992, stated that a change to the Administrative Rule requiring all accounts receivable to be referred to CCS would be requested. The change request would have allowed agencies to unilaterally write-off accounts receivable that had no social security number.

The referenced change to the Administrative Rules was never made. Therefore, the requirements of this rule are still in effect. Accounts receivable, unless specifically exempted by statute, must be submitted to CCS when 30 days past due or in accordance with written exemption agreements signed by the state controller.

The State Controller's Office will be reviewing this requirement with CCS to see if a change would be appropriate. If such a change is requested and approved, agencies will receive official notification. Until such time, no unilateral write-offs should occur.